

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6348**

**BILL NUMBER:** SB 245

**NOTE PREPARED:** Dec 7, 2011

**BILL AMENDED:**

**SUBJECT:** Unfair Claim Settlement Practices.

**FIRST AUTHOR:** Sen. Waterman

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows a person to file a civil action for damages related to an unfair claims settlement practice. The bill specifies the manner in which payment of certain damages must be made.

**Effective Date:** July 1, 2012.

**Explanation of State Expenditures:** See *Explanation of Local Expenditures* below.

**Explanation of State Revenues:** The amount of state revenue that might be generated by this provision is indeterminable. See *Explanation of Local Expenditures* below.

**Explanation of Local Expenditures:** The bill may result in more civil actions being filed in local courts. A person that suffers a pecuniary loss as a result of the commission of an unfair claim settlement practice may bring a civil action against the person that caused the loss for an amount not to exceed three times the actual damages, costs related to the civil action, and reasonable attorney's fees.

If a plaintiff in a civil action obtains a judgment that exceeds the amount of the plaintiff's actual damages, the defendant against whom the judgment is entered must pay the amount that exceeds the plaintiff's actual damages, costs, and reasonable attorney's fees to the clerk of the court where the action is pending.

The clerk of the court must pay to the plaintiff 75% of the payment and pay the remaining 25% to the Treasurer of State who must deposit the funds in the Department of Insurance Fund for use by the department in consumer protection.

**Explanation of Local Revenues:** See *Explanation of Local Expenditures* above.

**State Agencies Affected:** Treasurer of State; State courts.

**Local Agencies Affected:** Clerk of the Court.

**Information Sources:**

**Fiscal Analyst:** Bill Brumbach, 232-9559.